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1 UNITED STATES PATENT AND TRADEMARK OFFICE
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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
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8 *Ex parte* ERIC J. HOWELL, SAMUAL C. GIBBS III, and NITIN M.
9 PATEL
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12 Appeal 2009-004354
13 Application 10/016,302
14 Technology Center 3600
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17 Decided: September 14, 2009
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20 Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and JOSEPH
21 A. FISCHETTI, *Administrative Patent Judges*.
22 FETTING, *Administrative Patent Judge*.

23 DECISION ON APPEAL
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1 STATEMENT OF THE CASE

2 Eric J. Howell, Samuel C. Gibbs III, and Nitin M. Patel (Appellants)
3 seek review under 35 U.S.C. § 134 (2002) of a final rejection of claims 1-49,
4 the only claims pending in the application on appeal.

5 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)
6 (2002).

7 SUMMARY OF DECISION¹

8 We AFFIRM.

9 THE INVENTION

10 The Appellants invented a method and apparatus for processing health
11 insurance applications over a network (Specification ¶ 0001).

12 An understanding of the invention can be derived from a reading of
13 exemplary claims 1 and 8, which is reproduced below [bracketed matter and
14 some paragraphing added].

15 1. A method for processing health insurance applications over a
16 network, the method comprising:

17 [1] presenting a user interface to an applicant over the
18 network, the user interface including information

¹ Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed May 15, 2008) and Reply Brief ("Reply Br.," filed June 25, 2008), and the Examiner's Answer ("Ans.," mailed June 25, 2008), and Final Rejection ("Final Rej.," mailed November 16, 2007).

pertaining to a health insurance plan selected by the applicant and facilitating input of health insurance application data by the applicant;

[2] receiving, at a transaction facility, the health insurance application data from the applicant via the network;

[3] receiving, at a transaction facility, an electronic signature from the applicant;

[4] obtaining a confirmation from the applicant, in addition to the receiving of the electronic signature, that the applicant intends to be legally bound by the electronic signature;

[5] transforming the health insurance application data into a secure digital file thereby creating a finalized health insurance application; and

[6] transmitting the secure digital file to the health insurance carrier.

8. The method of claim 1 wherein the health insurance plan selected by the applicant varies for individual applicants, private group applicants, and commercial group applicants.

THE REJECTIONS

The Examiner relies upon the following prior art:

Lencki et al.	US 2002/0049617 A1	Apr. 25, 2002
Wolff et al.	US 2002/0029158 A1	Mar. 7, 2002
Smithies et al.	US 6,091,835	Jul. 18, 2000
Peach	US 2001/0049611 A1	Dec. 6, 2001

Claims 1-7, 9-32, and 34-49 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Lencki, Wolff, and Smithies.

Claims 8 and 33 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Lencki, Wolff, Smithies, and Peach.

ARGUMENTS

Claims 1-7, 9-32, and 34-49 rejected under 35 U.S.C. § 103(a) as being unpatentable over Lencki, Wolff, and Smithies

The Appellants argue these claims as a group.

Accordingly, we select claim 1 as representative of the group. 37 C.F.R. § 41.37(c)(1)(vii) (2008).

The Examiner found that Lencki describes all of the limitations of claim 1, except for limitations [3] and [5] (Ans. 4-6). The Examiner found that Wolff describes limitation [5] and Smithies describes limitation [3] (Ans. 5-6). The Examiner further found that a person with ordinary skill in the art would have recognized the benefits of increasing the likelihood of finding an insurance policy by providing a consolidated insurance document available for insurance providers to bid on and validate the information contained in the document by including an electronic signature (Ans. 7-8). The Examiner further found that a person of ordinary skill in the art would have found it obvious to combine Lencki, Wolff, and Smithies (Ans. 6-8).

The Appellants contend that (1) there is no motivation to combine the cited prior art and Wolff teaches away from the claimed invention (App. Br. 14-18 and Reply Br. 1-3) and (2) Lencki, Wolff, and Smithies fail to describe transforming the client data into a secure digital file thereby

creating a finalized health insurance application as per claim 1 (App. Br. 19 and Reply Br. 4-5).

*Claims 8 and 33 under 35 U.S.C. § 103(a) as being unpatentable over
Lencki, Wolff, Smithies, and Peach*

The Appellants argue these claims as a group.

Accordingly, we select claim 8 as representative of the group. 37 C.F.R. § 41.37(c)(1)(vii) (2008).

The Examiner found that Lencki, Wolff, and Smithies fail to describe the limitations of claim 8 (Ans. 28). The Examiner found that Peach describes claim 8 (Ans. 28). The Examiner found that a person with ordinary skill in the art would have recognized the benefit decreasing redundancies and decreasing possible errors by repeated data entry by providing a single data entry point and a single insurance policy application and contract data available for other groups to use (Ans. 29). The Examiner further found that a person with ordinary skill in the art would have found it obvious to combine Lencki, Wolff, Smithies, and Peach (Ans. 29).

The Appellants do not present any arguments showing that the Examiner erred in rejecting claims 8 and 33.

ISSUES

The issues pertinent to this appeal are whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims (1) 1-7, 9-32, and 34-49 under 35 U.S.C. § 103(a) as unpatentable over

Lencki, Wolff, and Smithies and (2) 8 and 33 under 35 U.S.C. § 103(a) as unpatentable over Lencki, Wolff, Smithies, and Peach.

The pertinent issues turn on whether there is motivation to combine the cited prior art and whether Lencki, Wolff, and Smithies describe transforming client data into a secure digital file.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to the Prior Art

Lencki

01. Lencki is directed to a system and method for the selection, delivery, and management of employee benefits and the customization of an employee benefit plan at the individual level while maximizing group buying power. Lencki ¶ 0002.

02. An account is established for an employee, where the account includes a predefined employer contribution amount. Lencki ¶ 0010. Prices for line items within a benefits category are identified and are offered for purchase to the employee. Lencki ¶ 0009. The cost of each benefit line item is deducted from the account established for the employee. Lencki ¶ 0010. A benefits profile is created for each employee and claims are processed based on the benefits profile for the employee. Lencki ¶ 0011.

1 *Wolff*

2 03. Wolff is directed to a method and system for providing life
3 insurance coverage and obtaining underwriting decisions from
4 multiple life insurance carriers or reinsurers. Wolff ¶ 0002.

5 04. An insurance agent solicits insurability rating bids from a
6 substantial number of insurance carriers on behalf of a customer.
7 Wolff ¶ 0013. The agent and customer are then in a position to
8 select the insurer that provides the best rating and best product.
9 Wolff ¶ 0013.

10 05. The system creates a single insurability documentation file and
11 submits a universal bid request. Wolff ¶ 0014. This allows agents
12 and wholesalers to submit requests for bids using a single
13 universal form. Wolff ¶ 0014. The documentation used to
14 determine insurability is securely sent to the file assembly system.
15 Wolff ¶ 0015. The confidential record of the customer is digitized
16 only once, for security purposes, thus there is only one copy of the
17 assembled file. Wolff ¶ 0015. The file is electronically
18 transmitted over an encrypted network or otherwise secure
19 network to participating insurance companies to evaluate the
20 insurability of the customer. Wolff ¶ 0018. The solicited
21 insurance carriers then bid on the policy to provide the customer.
22 Wolff ¶ 0019. Upon acceptance of the bid, an official approved
23 insurance application form is submitted to the selected insurance
24 carrier. Wolff ¶ 0020.

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2 *Smithies*

3 06. Smithies is directed to a method and system for collecting and
4 storing data that evidences the facts and circumstances of a party's
5 electronic affirmation of a document, transaction, or event.

6 Smithies 1:16-26.

7 07. The system directs a user through an affirmation process that
8 requires the user to undertake a series of steps in order to
9 successfully complete an affirmation. Smithies 7:12-18. The
10 system requests for the affirming party's identification and further
11 asks the affirming party queries relating to the affirmation of the
12 document. Smithies 8:15-24. The system securely stores this
13 information in the transcript object. Smithies 8:15-24. A
14 checksum is created within the transcript object to ensure there is
15 no tampering of the data. Smithies 8:25-27. The transcript object
16 is then encrypted and passed to the application handling the
17 document and the transcript object provides a secure record of the
18 affirmation. Smithies 8:27-35.

19 *Peach*

20 08. Peach is directed to electronically collecting and sharing of
21 insurance policy application and contract data between insurance
22 carriers and insurance agents. Peach ¶ 0003.

23 *Facts Related To The Level Of Skill In The Art*

24 09. Neither the Examiner nor the Appellants have addressed the
25 level of ordinary skill in the pertinent art health care insurance

applications processing. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. See *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not shown’”) (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985)).

Facts Related To Secondary Considerations

10. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

Obviousness

A claimed invention is unpatentable if the differences between it and the prior art are “such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.” 35 U.S.C. § 103(a)(2000). *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: “[1] the scope and content of the prior art are to be determined; [(2)] differences between the prior art and the claims at issue are to be ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved.” *Graham*, 383 U.S. at 17. See also *KSR*, 550 U.S. at 406. “The combination of familiar elements according to known

1 methods is likely to be obvious when it does no more than yield predictable
2 results.” *Id.* at 416.

3 ANALYSIS

4 *Claims 1-7, 9-32, and 34-49 rejected under 35 U.S.C. § 103(a) as being*
5 *unpatentable over Lencki, Wolff, and Smithies*

6 The Appellants first contend that (1) there is no motivation to combine
7 the Lencki, Wolff, and Smithies and Wolff teaches away from the claimed
8 invention. App. Br. 14-18 and Reply Br. 1-3. We disagree with the
9 Appellants. Lencki is concerned with delivering and managing an employee
10 benefit, such as health insurance, at an optimal cost. FF 01-02. Lencki
11 accomplishes this by categorizing benefit items and associating a cost to
12 each benefit item to be deducted from the employee’s account. FF 02. As
13 such, the Lencki system is able to provide a customized solution at the
14 individual level while optimizing buying power at a group level. FF 01.

15 Wolff is also concerned with soliciting insurance for a customer from
16 insurance carriers. FF 03-04. Wolff accomplishes this by creating a single
17 insurance application and submitting the universal insurance application for
18 requests for bids, thereby creating competition amongst insurance providers
19 to provide the best product and best price. FF 05.

20 Wolff is further concerned with the providing confidentiality and
21 security to all of the documents used in the system to procure insurance. FF
22 05. Wolff furthers this goal by managing the transferring of files over an
23 encrypted network. FF 05. Smithies is also concerned with providing
24 authentic and secure documents. FF 06. Smithies accomplishes this by

directing users through an affirmation process and storing all relevant data into an encrypted transcript object. FF 07.

As such, all of the cited prior art are concerned with optimizing the costs of managing of health insurance costs and maintaining the authenticity, confidentiality, and security of all data involved. A person with ordinary skill in the art would have recognized the benefit of lower costs by consolidating insurance application information into a single document and having insurance carriers bid to provide insurance to a customer. A person with ordinary skill in the art would have also recognized the benefit of managing the security and authenticity of data or a document by requiring specific steps of affirmation for an electronic signature. As such, a person with ordinary skill in the art would have found it obvious to combine Lencki, Wolff, and Smithies.

The Appellants specifically contend that the combination of Lencki and Wolff is not proper because Wolff is concerned with obtaining an insurability rating whereas in Lencki the employees are already deemed to be eligible for insurance coverage. App. Br. 16. However, as discussed *supra*, both Lencki and Wolff are concerned with optimizing the costs associated with providing insurance to a customer/employee. The costs described by both references are deducted from the customer/employee and therefore both references are concerned with reducing the costs to the insured. As such, a person with ordinary skill in the art would have been lead to combine their teachings.

The Appellants also specifically contend that the combination of Lencki and Wolff with Smithies is also improper because Smithies is not related to the procurement of insurance coverage. App. Br. 17. However, as discussed

1 *supra*, Wolff, as combined with Lencki, and Smithies are concerned with the
2 security and authenticity of information, regardless of the industry the
3 information is to be used for. As such, a person with ordinary skill in the art
4 would have been lead to combine their teachings.

5 The Appellants further contend that Wolff teaches away from the
6 claimed invention because the insurability documentation file of Wolf does
7 not intend to legally bind the signer of the file. App. Br. 18. However, as
8 discussed *supra*, Wolff describes that a finalized document is prepared from
9 the single universal application file after bids are received, evaluated and an
10 insurer is selected. FF 05. The finalized document is submitted to the
11 selected insurer, which suggests that the final insurance application is
12 intended to be binding. FF 05.

13 The Appellants contention that Wolff fails to describe the use of an
14 electronic signature and therefore teaches away from the claimed invention
15 is not found persuasive because the Examiner has relied on Smithies to
16 describe this limitation. As such, the Appellants are responding to the
17 rejection by attacking the references separately, even though the rejection is
18 based on the combined teachings of the references. Nonobviousness cannot
19 be established by attacking the references individually when the rejection is
20 predicated upon a combination of prior art disclosures. *See In re Merck &*
21 *Co. Inc.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

22 The Appellants further contend that (2) Lencki, Wolff, and Smithies fail
23 to describe transforming the client data into a secure digital file thereby
24 creating a finalized health insurance application as per claim 1. App. Br. 19
25 and Reply Br. 4-5. We disagree with the Appellants. Limitation [5] of
26 claim 1 requires converting health insurance application data into a secure,

1 finalized file representing the health insurance application. Limitation [6]
2 further requires transmitting the file to insurance companies. Wolff
3 describes securing sending all data needed for a health insurance application
4 to the file assembly system. FF 05. Wolff further describes compiling the
5 data to create a single, secure, universal health insurance application that is
6 transmitted to insurance carriers to bid on a policy to provide the customer.
7 FF 05. As such, Wolff describes transforming data into a secure digital file
8 thereby creating a finalized health insurance application as required by
9 limitations [5] and [6] of claim 1.

10 The Appellants' contention that Lencki and Smithies fail to describe
11 these features does not persuade us of error on the part of the Examiner
12 because the Appellants respond to the rejection by attacking the references
13 separately, even though the rejection is based on the combined teachings of
14 the references. Nonobviousness cannot be established by attacking the
15 references individually when the rejection is predicated upon a combination
16 of prior art disclosures. *Id.*

17 The Appellants have not sustained the burden of showing that the
18 Examiner erred in rejecting claims 1-7, 9-32, and 34-49 under 35 U.S.C. §
19 103(a) as being unpatentable over Lencki, Wolff, and Smithies.

20
21 *Claims 8 and 33 under 35 U.S.C. § 103(a) as being unpatentable over*
22 *Lencki, Wolff, Smithies, and Peach*

23 The Appellants have not argued this rejection in the Brief. We take this
24 as an indication that the Appellants have waived arguments as to this
25 rejection and as such we summarily sustain the Examiner in rejecting claims

8 and 33 under 35 U.S.C. § 103(a) as unpatentable over Lencki, Wolff,
Smithies, and Peach.

CONCLUSIONS OF LAW

The Appellants have not sustained the burden of showing that the
Examiner erred in rejecting claims 1-7, 9-32, and 34-49 under 35 U.S.C. §
103(a) as being unpatentable over Lencki, Wolff, and Smithies.

The Appellants have not sustained the burden of showing that the
Examiner erred in rejecting claims 8 and 33 under 35 U.S.C. § 103(a) as
being unpatentable over Lencki, Wolff, Smithies, and Peach.

DECISION

To summarize, our decision is as follows.

- The rejection of claims 1-7, 9-32, and 34-49 under 35 U.S.C. § 103(a) as being unpatentable over Lencki, Wolff, and Smithies is sustained.
- The rejection of claims 8 and 33 under 35 U.S.C. § 103(a) as being unpatentable over Lencki, Wolff, Smithies, and Peach is sustained.

No time period for taking any subsequent action in connection with this
appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

1 mev

2

3 Address

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